GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1144
ANSWERED ON:23.11.2007
BPL FAMILIES
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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) the norms and parameters followed for identification of persons living below poverty line;

(b) whether the Government has paid due attention to price-rise of essential commodities in fixation of such norms;

(c) if so, the details thereof;

(d) whether separate norms are being followed for urban and rural areas in this regard;

(e) if so, the details thereof;

(f) whether there is a disagreement between the Union Government and the State Governments over the number of BPL families in States;

(g) if so, the details thereof; and

(h) the steps taken by the Government to resolve the issue in a realistic manner?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI CHANDRA SEKHAR SAHU)

(a) to (h) The Planning Commission estimates poverty across all the States following a uniform methodology as recommended by the Expert Group on `Estimation of Proportion and Number of Poor` (Lakdawala Committee) which was set up in 1989. These poverty estimates are based on the quinquinnial survey results of Consumer Expenditure of Households carried out by the National Sample Survey Organisation (NSSO).

The Task Force on Projections of Minimum Needs and Effective Consumption Demand constituted by the Planning Commission in 1977 and the Task Force submitted its report in 1979. The Task Force defined the poverty line as per capita consumption expenditure level, which meets the average per capita daily calorie requirement of 2400 k cal in rural areas and 2100 k cal in urban areas along with a minimum of non-food expenditure. The Task Force used the 28th Round (1973-74) NSS data relating to household consumption both in qualitative and value terms in order to compute the monetary value equivalent to these calorie norms which is known as the poverty line. In 1973-74, it estimated that on an average, consumer expenditure of Rs.49.09 per capita per month meets the calorie requirement of 2400 k cal per capita per day in rural areas and Rs.56.64 per capita per month with an intake of 2100 k cal per capita per day in urban areas.

Under the Expert Group methodology, the National Rural Poverty Line of Rs.49.09 in 1973-74 worked out by the Task Force is disaggregated into State Specific Poverty Line on the basis of State Specific Consumer Price Indices for Agricultural Labourers adjusted by inter-state price differential. Similarly, the National Urban Poverty Line of Rs.56.64 in 1973-74 is disaggregated into State Specific Poverty Line using State Specific Consumer Price Index of Industrial Workers adjusted for Interstate Price Differential. These State Specific Poverty Lines for rural and urban areas are updated on the basis of State Specific Consumer Price Indices for Agricultural Labourers and State Specific Consumer Price Index of Industrial Workers respectively.

While the estimation of poverty is done by the Planning Commission, the Ministry of Rural Development provides financial and technical assistance to the States and UTs to identify the BPL households through the BPL Census with the objective to assist them under its various programmes. The first such survey was conducted in 1992 and in 1997 the next BPL Census was conducted for the 9th Five Year Plan. Both the BPL Censuses were conducted using the methodology based on income and expenditure approach respectively. For the 10th Five Year Plan, BPL Census 2002 has been conducted using the methodology of `Score Based Ranking` of the rural households for which 13 socio-economic parameters which includes size of land holdings, type of house, availability of clothes, food security, sanitation, literacy status, status of household labour force, means of livelihood, type of indebtedness etc. In the guidelines issued by the Ministry for conducting the BPL Census 2002, the States were advised to identify the number of BPL households as determined by the Planning Commission with 10% flexibility to account for the transient poor. Some of the State Governments had requested to remove the cap on the total number of BPL households to be identified. The cap on the total number of BPL households was put with the objective to ensure that the poorest of the poor must get priority under the programmes of this Ministry. However, there is no restriction on the State Governments to extend the benefits of State Sector Schemes to a larger

numbers.